

**Shell Offshore Inc.**  
An affiliate of Shell Oil Company



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Exploration and Production  
Strategic Resource Organization  
Regulatory and Public Affairs Department

June 2, 1998

David S. Guzy  
Chief, Rules and Publications Staff  
Royalty Management Program  
Minerals Management Service  
P. O. Box 25165  
Mail Stop 3021  
Denver, Colorado 80225-0165



Dear Mr. Guzy:

**SUBJECT: PROPOSED RULE ON ELECTRONIC REPORTING**  
**30 CFR - FR / VOL. 63 NO. 67/ APRIL 8, 1998**

Shell Offshore Inc. (SOI) appreciates the opportunity to submit comments on the proposed electronic reporting rule. SOI is a leading producer of hydrocarbons and is the largest leaseholder in the Gulf of Mexico. SOI generally supports MMS's efforts to improve the productivity, efficiency and effectiveness of Government programs.

Our concerns are the occasional equipment /electrical failure and what does MMS think is "reasonable" in terms of a fixed fee per report line for non-compliance.

Although we support the proposed rule, we suggest MMS include a grandfather clause to cover prior period paper corrections submitted after implementation of the final rule along with exceptions for occasional equipment /electrical failure.

We appreciate the opportunity to comment on this propose rule. Should you have any questions, please contact me at (504) 728-6982 or M. J. Mire at One Shell Square, telephone (504) 728-7736.

Very truly yours,

A handwritten signature in black ink that reads 'Peter K. Velez'.

Peter K. Velez  
Manager Regulatory and Public Affairs

MJM

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